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(1/15) Credible Neutrality: the Wellspring of Legitimacy

To build a system people actually use, you must build a system people actually believe in.

You must build a system that has legitimacy.

(2/15) Let's start with a hypothetical. Let's say you walk into a casino.

To your left is a completely normal game of blackjack.

To your right is a game of poker... only in this game, the first person to sit down gets to look at everyone else's cards during the game.

(3/15) This modification breaks the game. If one player can see every other card, s/he is guaranteed to control the game; see who is going to win the hand, bet accordingly.

Unless they are (or can influence) the first player, no rational person would choose to play that game.

(4/15) The fundamental principle is fairness: are all individuals treated reasonably, consistently and equally.

The purpose: promote morality (or whatever).

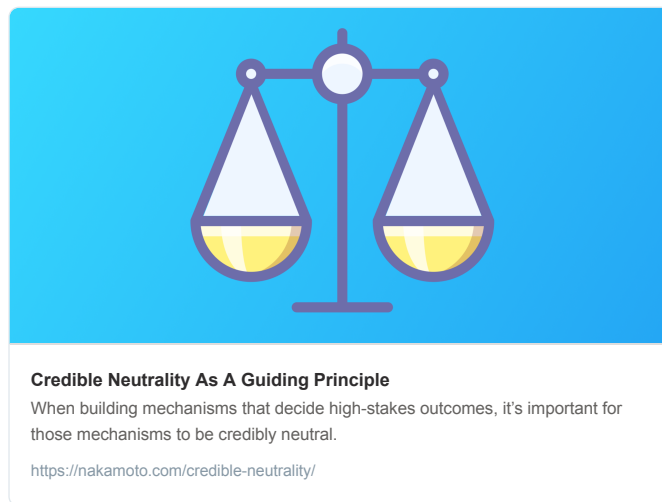
The real purpose: people refuse to use or rely on systems they don't perceive as fair.

(5/15) This idea becomes more important as the stakes of the system increase:

You might be interested in playing modified-poker when the chips are valueless and the table is full of friends... but the decision changes entirely when the buy-in is 6 figures.

(6/15) In 2020, [@VitalikButerin](#) took this concept and distilled it into this principle:

When building mechanisms that decide high-stakes outcomes, it's very important for those mechanisms to be credibly neutral.



(7/15) First, a mechanism is a tool that takes in inputs from multiple people, and uses these inputs as a way to determine things about its participants' values, so as to make some kind of decision that people care about.

A mechanism is an algorithm plus incentives.

Mechanism	Goal	Input	Output
Private property and trade	encourage production of useful objects and put them into the hands of people who make best use of them	Users' ability to reassign ownership through donation or trade	database of who has the right to determine how each object is used (sometimes formalized, others implied)
Auction	Raise the most amount of capital possible for the sale of an asset	Bids	who gets the item being sold, and how much the buyer must pay.
Democracy	Choose leaders and make decisions for all of society	Votes	Who controls each seat in the government that was up for election
Upvotes, downvotes, likes and retweets on social media	Identify, aggregate and display the most engaging content	upvotes, downvotes, likes and retweets	who sees what content
Blockchain-awarded incentives for proof of work and proof of stake	Build a single, uncontested blockchain	what blocks and other messages participants produce	which chain the network accepts as canonical

(8/15) A mechanism is credibly neutral if it does not discriminate for or against any specific people, treating everyone fairly, to the extent that it's possible in today's diverse and complicated world.

This should be easy to see just by looking at the mechanism's design.

Credibly Neutral	Not Credibly Neutral
<ul style="list-style-type: none">• Anyone who mines a block gets 2 ETH• Any post with >5 downvotes gets blocked• Any new invention gets a 20-year monopoly (patent)	<ul style="list-style-type: none">• Bob gets 10 coins because he's written good code• Posts our mods think are offensive are blocked• Most new inventions get a 20-year monopoly, cancer drugs get 50-years

(9/15) It is not just neutrality that is required here, it's credible neutrality.

It is not enough for a mechanism to be fairly designed, it's also vital that the mechanism convince a large and diverse group of people that it is fair (or at least makes basic efforts to be).

(10/15) Mechanisms such as blockchains, political systems and social media are designed to facilitate cooperation across large, and diverse, groups of people.

Credible neutrality is about both bringing a new participant to a mechanism and keeping its retaining existing users.

(11/15) Neutrality is about everyone seeing that the mechanism is fair.

Credible is about everyone seeing that everyone can see that as well.

Everyone participating wants to be sure that everyone else will not abandon the mechanism the next day.

(12/15) Of course, neutrality is never total.

For example, capitalism discriminates in favor of concentrated interests and the wealthy, and against the poor and those who rely heavily on public goods.

But, still, some mechanisms are much more neutral than others

(13/15) Thus, credible neutrality must be balanced against another idea, the principle of efficacy.

A good mechanism is also a mechanism that actually does solve the problems that we care about; it's very possible for a mechanism to be both credibly neutral and terrible.

(14/15) Sometimes, if a credibly neutral mechanism has not yet been found, an imperfectly neutral mechanism should be adopted in the short term.

But recognizing credible neutrality as something that is valuable, and striving to get closer to that ideal, is important.

(15/15) Credible neutrality is a systems design principle. The goal is to create systems that are well understood to be fair and provide a level playing field.

When we build credibly neutral systems, we are building for the future.

We are building legitimacy.

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